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Jack P. Broadbent EXECUTIVE OFFICER/APCO November 7, 2011

Calla Rose Ostrander
City and County of San Francisco Department of Environment
11 Grove Street
San Francisco, CA 94102

Subject: The 34th America's Cup Draft Sustainability Plan

Dear Ms. Calla Rose Ostrander:

Bay Area Air Quality Management District (District) staff has reviewed your agency's Draft Sustainability Plan (Plan), which provides an overarching view of event-related sustainability activities that will be implemented by various organizations involved in the 34th America's Cup event (AC34). We understand that the Plan was developed to fulfill all requirements of Section 10.12 of the 34th America's Cup Host City and Venue Agreement (Host Agreement), which was signed in December 2010 by the City/County of San Francisco (City), the America's Cup Event Authority, LLC (Authority) and the San Francisco America's Cup Organizing Committee (Committee). Section 10.12 of the Host Agreement states that the Plan shall set forth the means by which: a) consistent with Chapter (13C) of the San Francisco building code, the Authority will endeavor to meet or exceed LEED or LEED equivalent ratings for permanent AC34 buildings; b) the Authority's activities for AC34 will be carbon neutral and zero waste; and c) the Authority will promote resource sustainability and environmental stewardship. The Plan is being developed by the Authority in consultation with the San Francisco Department of the Environment, and is subject to revision in connection with the completion of environmental review for AC34 under CEQA and NEPA.

District staff commends the City and the Authority for their commitment to resource sustainability and environmental stewardship. The Draft Environmental Impact Report (DEIR) for AC34 identified a number of serious impacts to local and regional air quality that will occur throughout the duration of AC34, as it is currently planned. The DEIR identified toxic air contaminant (TAC), particulate matter (PM) and ozone precursor emissions associated with AC34 that exceed the Districts thresholds of significance. The increase in TACs, PM and ozone precursors will adversely impact the health of existing residents and visitors, as well as impede upon the region's ability to attain and maintain health-based state and federal ambient air quality standards unless additional measures are implemented to reduce the impacts.

District staff understands that the Host Agreement also defines a number of Implementation Plans (including, and in addition to, the Sustainability Plan) to provide strategies and actions to address specific functions or elements of AC34, including a People Plan, a Zero Waste Plan, a Workforce Development Plan, etc. The Implementation Plans are referenced in various forms in the DEIR for AC34 as potential mitigation measures to reduce significant environmental impacts



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identified in the DEIR (pg. 10). The Implementation Plans will provide an established means by which some of the proposed mitigation measures in the DEIR and regulatory requirements can be implemented, tracked and integrated as part of the overall event planning, management and implementation (in addition to a Mitigation Monitoring and Reporting Program, which will be adopted pursuant to CEQA).

District staff has the following comments on the Plan.

Energy and Emissions Theme

The Plan defined 5 major themes that pertain to sustainability in carrying out AC34. The Energy and Emissions Theme focuses on strategies that address air quality and emissions, particularly the achievement of carbon neutrality, and energy use and transportation. The District commends the commitment to carbon neutrality, the inclusion of various transportation strategies that encourage the use of transit, bicycles and other modes of transit, and other strategies that will address air pollutant emissions.

However, the DEIR identified significant and unmitigable impacts from operational activities associated with AC34, for both criteria air pollutants as well as TACs. The mitigation measures outlined in the DEIR (including M-AQ-2a; M-AQ-2b; M-AQ-4; and M-AQ-5) will not adequately reduce criteria air pollutants and TAC emissions to less than significant levels and therefore meet the sustainability goals for AC34. To meet the sustainability and environmental stewardship goals, the District recommends the following measures be adopted as part of the Plan:

- Prohibit the use of diesel generators, and require equipment to use grid electricity;
- If temporary diesel-fueled generators are necessary, require the use of alternative fuel (e.g. natural gas, propane);
- If diesel-fueled generators are used, require the generators to be equipped with filters;
- The City and the Authority shall implement an offsite mitigation program to reduce the amount of criteria air pollutant emissions to below the thresholds of significance. The Authority, the City and the District should work together to identify the total amount of emissions needed to be offset through the offsite mitigation program after taking into consideration any measures implemented by the Authority and the City to reduce AC34's criteria air pollutant emissions. The Authority and the City will then agree on the amount of funding needed to achieve these emission reductions through a number of projects, including (but not limited to):
 - o Projects to replace older, high emitting gasoline powered harbor craft (commercial and recreational) engines operating in the Bay Area with newer, cleaner, more efficient engines (2010 Clean Air Plan, Mobile Source Measure C-3), which would address the largest source of criteria air pollutant emissions associated with AC34 (according to the DEIR);
 - Projects eligible for funding under the District's Carl Moyer Memorial Air Quality Standards Attainment Program (CMP) guidelines that are real, surplus, quantifiable and enforceable.

The District supports the Event Authority's "carbon management approach hierarchy" that could result in a carbon neutral AC34 event. This hierarchical approach involves first avoiding emissions (for example, by enabling people to bike or walk to the event instead of driving cars), then reducing

emissions that are unavoidable (such as decreasing the energy needs of buildings through efficiency measures), then replacing emissions (such as through tree planting), and finally, compensating for remaining emissions through offsite mitigation. The District also supports the Authority's commitment to offer participation in the offsite mitigation program to AC34 partners and spectators. The major emphasis of the program should focus on avoiding and reducing emissions so that the need for offsite mitigation is minimized. The District recommends that the Authority develop its offsite mitigation program to ensure that all offsets are in addition to those required by any law or regulation. The District further recommends that the offsite mitigation program maximize local emission reductions that achieve air quality co-benefits.

Many of the implementation strategies in the Plan, particularly in the Energy and Emissions section, are expressed in broad terms, such as "utilize renewable energy where feasible." In order to increase the likelihood that AC34 will achieve its carbon neutral and air emission reduction goals, the District recommends that the Plan be as specific as possible in all of its implementation strategies. The Plan should then define which strategies are "feasible", or at a minimum define for each measure in the Plan the criteria that will be used in determining the feasibility of the strategies. The Plan would then only include strategies that are feasible (according to the definition and criteria in the Plan for feasibility) and that will be implemented, and remove words such as "where feasible" and "where available" from the strategies as currently written in the Plan.

District staff is available to assist City staff in addressing these comments. If you have any questions, please contact Jackie Winkel, Environmental Planner, (415) 749-4933.

Sincerely,

Jean Roggenkamp

Deputy Air Pollution Control Officer

cc: BAAQMD Director John Avalos

BAAQMD Director Edwin M. Lee

BAAQMD Director Eric Mar